

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

DOCKET NO. 2003-920

December 31, 2003

CITY OF CALAIS WATER DEPARTMENT
Application for Approval of
Issues of Securities (§902) (\$50,000)

ORDER APPROVING
ISSUES OF SECURITIES

WELCH, Chairman; DIAMOND and REISHUS, Commissioners

On December 16, 2003, the City of Calais Water Department (the Department) filed with the Commission its application for authority to obtain a loan in a sum not to exceed \$50,000 through the First National Bank of Bar Harbor, at an annual rate not to exceed 3.5 percent. The debt will be paid over a term not to exceed 15 years. In this Order, we approve the Department's application.

The Department requires these funds for the purpose of purchasing the Pure Flow filter system for a new water source. These funds replace a lease purchase agreement that the Department had previously entered into to finance the acquisition of this equipment.¹ The terms of the proposed loan arrangement meet the Department's needs better than the current lease.

Having reviewed the application of the Department, together with data filed in support of it, it is the opinion of the Commission that the proceeds of the issuance of the note are required in good faith for the purposes enumerated in 35-A M.R.S.A. § 901. In approving this securities issue, consistent with normal practice and pursuant to 35-A M.R.S.A. § 902 (4), the Commission does not imply approval of the District's capital needs or capitalization ratio for ratemaking purposes, nor does this Order limit or restrict the powers of the Commission in determining or fixing any rate.

Accordingly, we

O R D E R

1. That the City of Calais Water Department is hereby authorized to enter into a loan agreement in a sum not to exceed \$50,000 to be used solely for the purposes described in this Order, and at a rate not to exceed 3.5 percent per year through the First National Bank of Bar Harbor for a term not to exceed 15 years.

¹ The Department did not obtain Commission authorization to enter into the previous lease arrangement. The current management team is now aware of the requirement to obtain authorization for capital lease under 35-A M.R.S.A. § 911 and therefore, no action will be taken regarding the previous lease arrangement.

2. That the Department report to this Commission, in writing, its actions pursuant to this Order within (60) days of the date of the loan agreement, or by March 1, 2004, whichever may come first.
3. That the Administrative Director is hereby directed to mail an attested copy of this Order to interested parties and to close this Docket.

Dated at Augusta, Maine, this 31st day of December, 2003.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
 Diamond
 Reishus

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.